BLUE CROSS OF NORTHEAST OHIO FINANCIAL AND STATISTICAL STATEMENTS

DECEMBER, 1970

CONDENSED COPY

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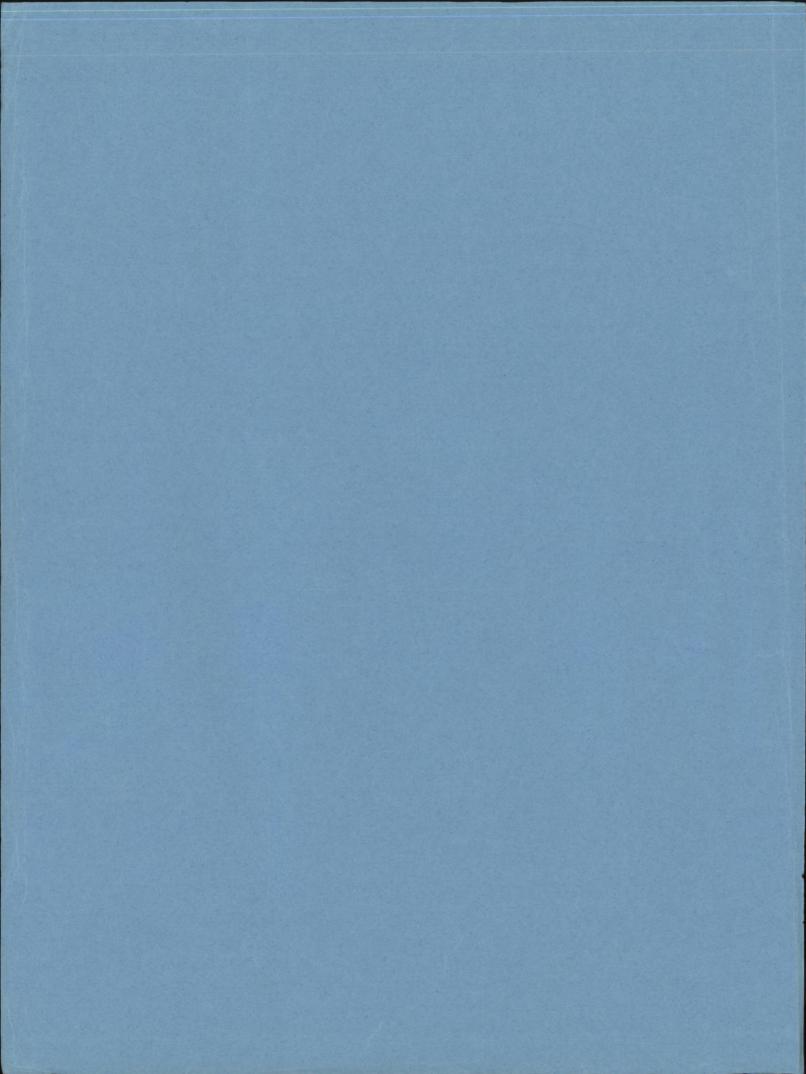


EXHIBIT 1

ASSETS December 31, 1970

CASH		
Deposits in Commercial Accounts - Not at Interest	\$ 676,389.98	
Deposits in Investment Account	35,643.02	
Savings Deposits at Interest	6,635.40	
On Hand	750.00	
		\$ 719,418.40
INVESTMENTS		
United States Government Securities	10,894,692.05	
Public Utility Securities	5,735,035.72	
Industrial Securities	5,659,707.80	
Common Stock	252,256.06	
		22,541,691.63
ACCRUED INTEREST		308,959.41
ACCOUNTS RECEIVABLE		
Group Subscribers	9,572,710.04	
Medical Mutual of Cleveland, Inc	148,460.62	
Ohio Medical Indemnity, Inc	90,003.67	
Advance Deposit - Health Care Mutual	75,000.00	
Advances for other Service Plans	476,016.02	
Advance for Shared Computer Program	473,157.68	
Advances for Drug Program Central Processing		
Operation	129,960.46	
	129,900.40	
Advance Deposits - City and County Bids on		
Hospitalization	85,050.00	
Medicare - Administrative Expense	114,866.70	
Inter-Plan Service Benefit Bank	1,325,890.04	
		12,491,115.23
TOTAL ADMITTED ASSETS		\$36,061,184.67
TOTAL ADMITTED ADDEED		950,001,104.07
MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:		
Air Travel Deposit	\$ 425.00	
Leasehold Improvements	3,010,759.67	
	\$ 3,011,184.67	
	7 3,011,104.07	

EXHIBIT 2

LIABILITIES AND RESERVES December 31, 1970

UNEARNED INCOME (LEGAL RESERVE)	\$ 7,871,194.07
	,270,642.55 ,228,063.50 13,042,579.05
	,876,400.00
Less: Partial Payment of Rate Adjustment	3,061,206.08
National Accounts Syndicate Funds	198,706.48 90,893.79 571,657.64 110,805.72 6,351.12 3,018.79 70,674.65 2,095.43 6,309.70 158,000.00 ,604,772.96 ,613,598.13 6,464.65 -0- 5,443,349.06
RESERVES Reserve for Contingencies	6,642,856.41
TOTAL LIABILITIES AND RESERVES	\$36,061,184.67
Total Persons Protected	\$3.72
Hospital and Administrative Expense	

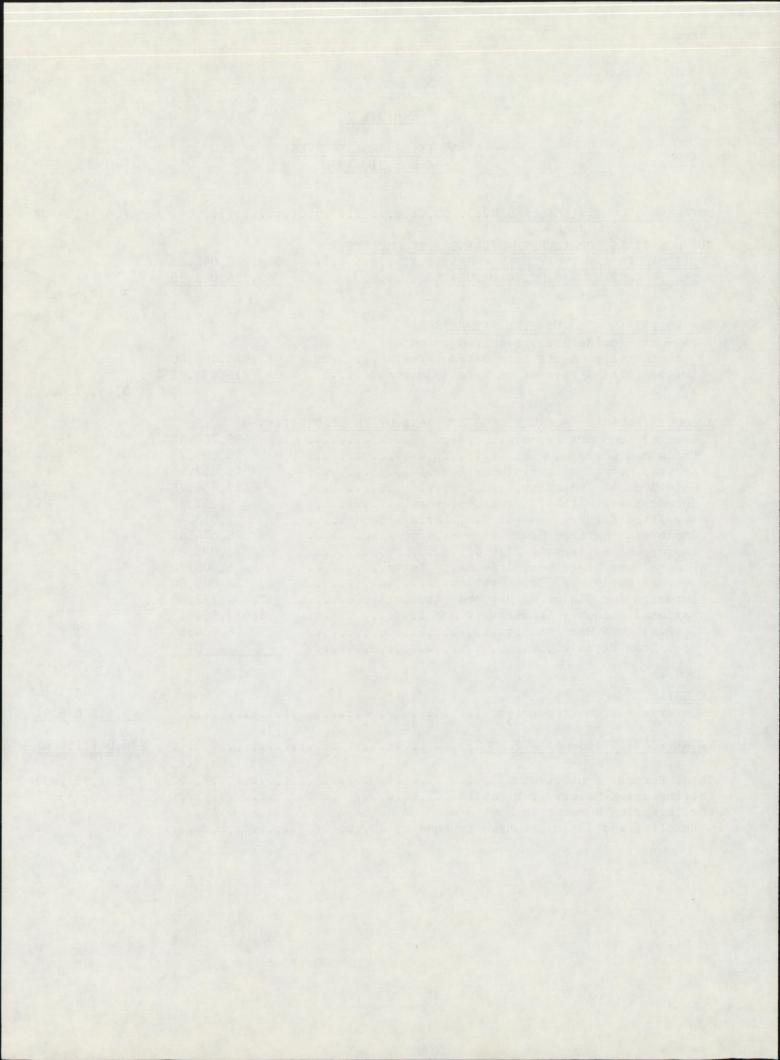


EXHIBIT 3

STATEMENT OF INCOME AND EXPENSE December, 1970

YEAR TO DATE	5.63 \$140,200,069.37	5,908,948.84 0.82 134,291,120.53	0.00 138,976,600.00	3,876,400.00 3,000 142,853,000.00	681,946.07 9.17 142,171,053.93	3.35 -7,879,933.40	1.92 1,563,225.85 4.28 -2,244,527.84 7.60 165,320.72 5.24 - 515,981.27	3.11 \$ -8,395,914.67
LAST	\$70,913,155.63	3,109,354.81	70,204,200.00	1,708,000.00	410,720.83 71,501,479.17	-3,697,678.35	728,101.92 -234,324.28 138,497.60 632,275.24	\$-3,065,403.11
FIRST	\$69,286,913.74	2,799,594.03	68,772,400.00	2,168,400.00 70,940,800.00	271,225.24	-4,182,255.05	835,123.93 -2,010,203.56 26,823.12 -1,148,256.51	\$-5,330,511.56
DECEMBER	\$12,181,285.31	554,245.07	. 11,651,200.00	11,836,200,00	51,191.21	157,968.55	103,526.30 -15,059.67 32,725.66 121,192.29	\$ -36,776.26
	Earned Income from Subscribers	EXPENSE Administrative Expense	HOSPITAL SERVICES Estimated Incurred Claims for Hospital Care at Tentative Rates	RatesTotal Hospital Costs	Less: Kerunds covering Compensation Claims, Coordination of Benefits, etc	TO RESERVES-FROM SUBSCRIBER INCOME	OTHER INCOME AND ADJUSTMENTS Income from Investments	NET CHANGE IN RESERVES

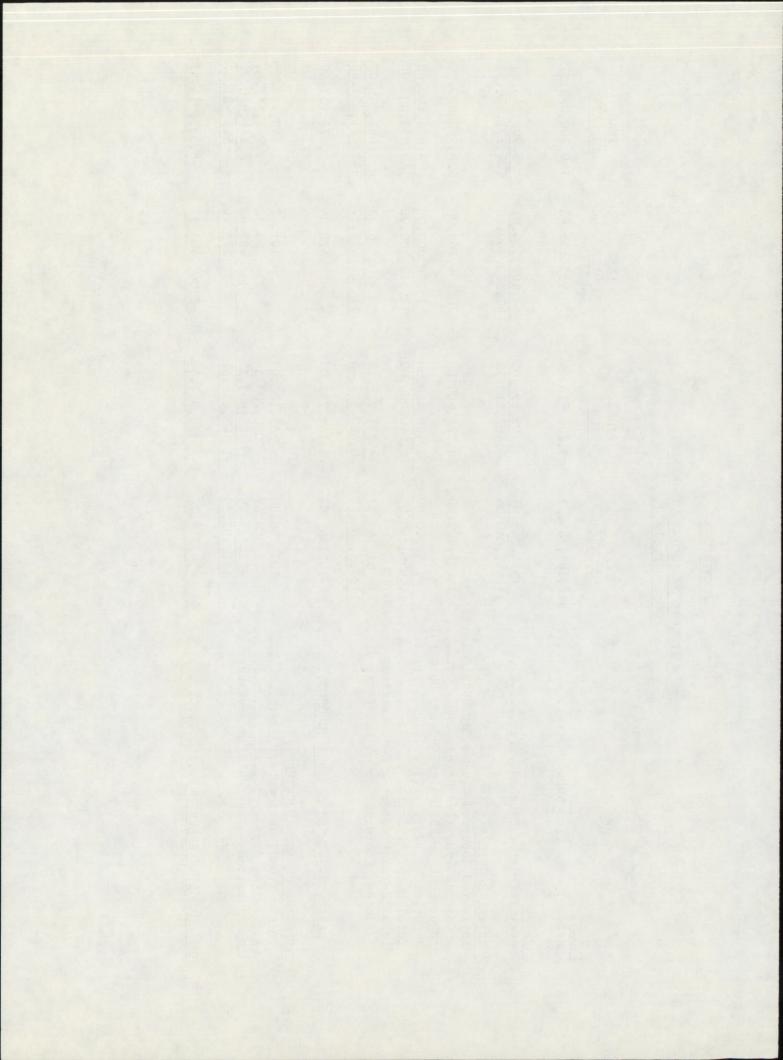


EXHIBIT 20

STATEMENT OF OPERATIONS - 1934 TO DATE December 31, 1970

	1934-1967	YEAR 1968	YEAR 1969	YEAR TO DATE	JULY 1, 1934 TO DECEMBER 31, 1970
INCOME FROM SUBSCRIBERS	\$1,213,645,097.91	\$106,771,720.12	\$120,251,524.54	\$140,200,069.37	\$1,580,868,411.94
ADMINISTRATIVE EXPENSE HOSPITAL SERVICES INCURRED	37,337,748.54 1,176,307,349.37 1,157,351,605.78 18,955,743.59	3,807,803.39 102,963,916.73 109,537,046.78 -6,573,130.05	4,399,585.26 115,851,939.28 123,369,879.01 -7,517,939.73	5,908,948.84 134,291,120.53 142,171,053.93 -7,879,933.40	51,454,086.03 1,529,414,325.91 1,532,429,585.50 - 3,015,259.59
OTHER INCOME LESS OTHER DEDUCTIONS	7,817,071.87	1,204,668.88	1,152,356.52	- 515,981.27	9,658,116.00
TO CONTINGENCIES RESERVE	\$ 26,772,815.46	\$ -5,368,461.17	\$ -6,365,583.21	\$ -8,395,914.67	\$ 6,642,856.41
	PERCENTAGE	200	DISTRIBUTION OF SUBSCRIBER INCOME		
HOSPITAL SERVICES INCURRED ADMINISTRATIVE EXPENSE CONTINGENCIES RESERVE	95,36 3.08 1,56 100,00	$ \begin{array}{c} 102.59 \\ 3.57 \\ -6.16 \\ \hline 100.00 \end{array} $	102,59 3,66 -6,25 100,00	101.41 4.21 -5.62 100.00	96.94 3.25 19 100.00
Persons Protected Contingencies Reserve Per Capita Contingencies Reserve in months of	1,686,026 apita \$15.88 nths of	1,772,264 \$12.07	1,775,411 \$8.47	1,787,034	
Hospital and Administrative Expense	ve Expense 3.15	2.27	1,46	. 54	

Cleveland Blue Cross began operations July, 1934. Akron Blue Cross began operations January, 1937.

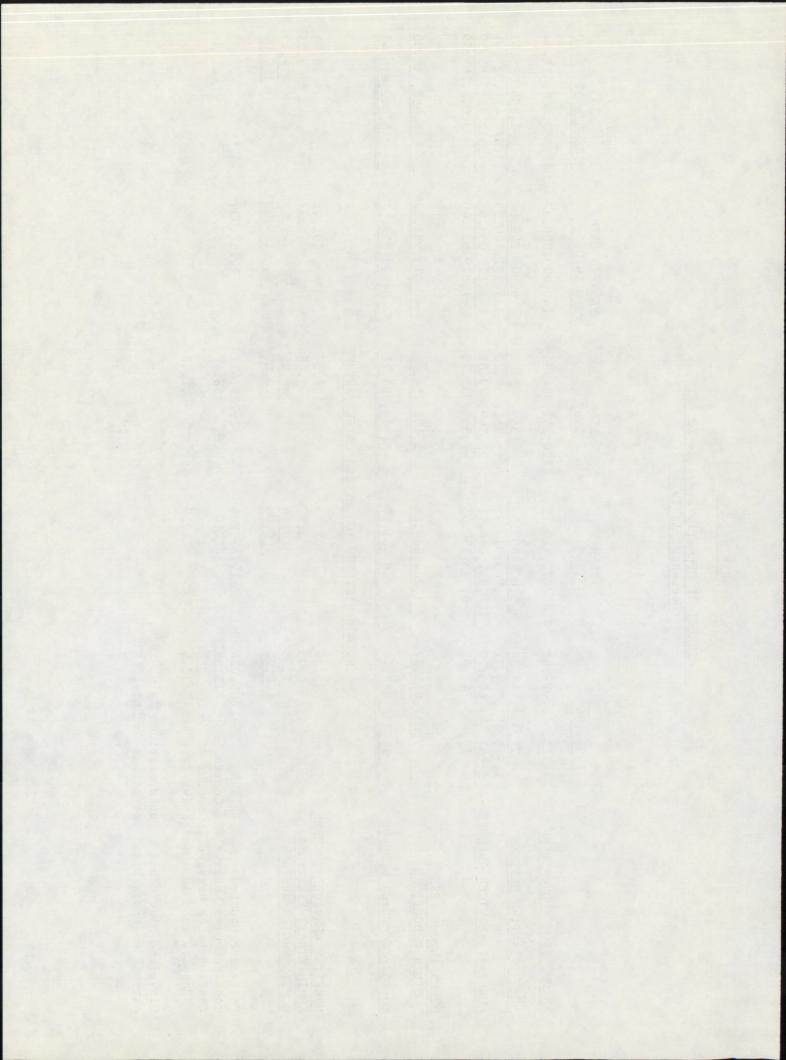


EXHIBIT 21

SUBSCRIBERS December 31, 1970

BLUE CROS			COMBINED	SERVED (B)	TOTAL
249	198,972 -2,546 196,426	1,445,344 -12,655 1,432,689	1,801,986 -14,952 1,787,034	21,611 - 614 20,997	1,823,597 -15,566 1,808,031
249	198,972 -2,546 196,426	370,658 -3,233 367,425	727,300 -5,530 721,770	7,540 - 233 7,307	734,840 -5,763 729,077
	157,670 249 157,919 157,670 249	BLUE CROSS FULL S 157,670 198,972 249 157,919 196,426 157,670 198,972 249 -2,546	157,670 198,972 1,445,344 249 -2,546 -12,655 157,919 196,426 1,432,689 157,670 198,972 370,658 249 -2,546 -3,233	BLUE CROSS FULL SERVICE 65 INDIV. FAMILY COMBINED 157,670 198,972 1,445,344 1,801,986 249 -2,546 -12,655 157,919 196,426 1,432,689 1,787,034 157,670 198,972 370,658 727,300 249 -2,546 -3,233 -5,530	BLUE CROSS FULL SERVICE 157,670

AT END OF CALENDAR YEAR

	PROTECTED	(A)			PERSONS		
YEAR	CONTRACTS	PERSONS		YEAR	CONTRACTS	PERSONS	SERVED (B)
1934	3,220	3,220		1952	599,716	1,434,332	
1935	18,473	18,473		1953	625,723	1,557,370	
1936	42,500	42,500		1954	634,535	1,581,975	
1937	91,654	91.654		1955	662,865	1,697,557	
1938	116,974	173,944		1956	670,460	1,733,542	
1939	171,212	316,425		1957	674,141	1,778,509	
1940	238,027	464,979		1958	666,132	1,770,623	
1941	304,808	617,294		1959	683,681	1,825,097	
1942	322,284	697,595		1960	672,701	1,801,331	43,870
1943	369,350	786,387		1961	663,820	1,780,567	43,870
1944	399,731	854,274		1962	651,235	1,742,035	43,870
1945	401,889	870,241		1963	643,245	1,710,422	68,507
1946	473,163	1,036,063		1964	646,084	1,719,330	72,885
1947	489,381	1,083,538		1965	655,254	1,728,436	74,518
1948	490,775	1,102,656	(C)	1966	688,713	1,674,791	71,096
1949	493,275	1,130,716		1967	667,585	1,686,026	79,366
1950	542,807	1,258,858		1968	705,387	1,772,264	47,397
1951	566,388	1,351,566		1969	711,301	1,775,411	48,785

- (A) Persons are considered protected if B.C.N.O. has issued the contract to the subscriber.
- (B) Persons are considered served if another Blue Cross Plan has issued the contract to the subscriber under a National Plan and B.C.N.O. has agreed with the Plan to service the hospital benefits for the local subscribers.
- (C) Medicare effective July 1, 1966.

